

List of national competent authorities that have increased the thresholds for the notification of transactions of persons discharging managerial responsibilities and closely associated persons

Increase of the threshold – Article 19(9) of MAR

Article 19 of MAR imposes an obligation on Persons Discharging Managerial Responsibilities (PDMRs), as well as persons closely associated with them, to notify the issuer or the emission allowance market participant and the competent authority of every transaction conducted on their own account, once the total number of transactions have reached the threshold contained in Article 19(8) of MAR.

Article 19(8) of MAR sets the threshold at 5,000 EUR, once the threshold is crossed every subsequent transaction will have to be reported.

Article 19(9) of MAR gives the possibility to competent authorities to raise the threshold to 20.000 EUR. Competent authorities that decide to do so must inform ESMA and provide a justification for adopting the higher threshold prior to its application, referring to specific market conditions.

In accordance with Article 19(9) of MAR, ESMA is publishing below the list of jurisdictions where the thresholds have been increased and the justifications provided by competent authorities for such increase, according to the notifications received from them.

Table 1: Notifications received from national competent authorities regarding the increase of the threshold under Article 19(9) of MAR and the accompanying justification

Competent Authority	Member State	Threshold	Justification for the increase
Finanstilsynet	Denmark	20,000 EUR	The threshold is increased to EUR 20.000 to ensure a balanced approach between securing sufficient and proper market transparency and the administrative burdens of persons discharging managerial responsibilities and persons closely associated with them. It is assessed that with a threshold of EUR 20.000 the level of transparency in the Danish market will be sufficient and proper based on the conditions in the Danish market.

Competent Authority	Member State	Threshold	Justification for the increase
Autorité des Marchés Financiers (AMF)	France	20,000 EUR	Decision was taken following an analysis of the managers' transactions received (in 2016) which demonstrated that there very few notifications made for less than 5000€. As a result and because of the higher number of transactions that would have to be declared, it was decided that the threshold of 20 000€ would be sufficient to ensure transparency.
Commissione Nazionale per le Società e la Borsa (CONSOB)	Italy	20,000 EUR	See Annex
Comisión Nacional del Mercado de Valores (CNMV)	Spain	20,000 EUR	The threshold is increased to EUR 20,000. The decision is taken in order to ensure a balanced approach between the level of transparency in the Spanish markets and the number of reports notified to the CNMV and to the issuer. The new threshold, introduced in the articles of the Royal Decree 19/2018 of 23 November 2018, strikes the right balance between the information provided to the public and to the CNMV and the burden for the manager. It has been assessed that the EUR 20,000 EUR threshold will be sufficient to accommodate all different interests at stake considering the conditions in the Spanish markets.
Bundesanstalt für Finanzdienstleistungsaufsicht (BAFIN)	Germany	20,000 EUR	BAFIN considered that, based on the relatively low number of notified transactions below 20,000 EUR (consistently below 18% between July 2016 and 30 June 2019) and their less important signalling function, raising the threshold to 20,000 EUR should contribute to an appropriate balance between an adequate level of transparency and the number of reports notified to the competent authorities and to the public.

Annex

Letter from CONSOB justifying the increase of threshold

Increase of the threshold for the notification of managers' transactions under Article 19(9) of Regulation (EU) no. 596/2014

By Resolution no. 19925 of March 22, 2017, Consob amending Regulation no. 11971/1999 adopted a new Article 152-*quinquies*. providing that “*the threshold for transactions carried out by persons discharging managerial and control responsibilities, as well as by persons closely associated with them, under Article 19, paragraphs 8 and 9 Regulation (EU) no. 596/2014, is set at Euro 20,000*”.

The decision aims at achieving the right balance between meaningful information to investors/markets and administrative burden for the notifying persons and the issuers.

According to our cost-benefit analysis and impact assessment, it appears that raising the threshold would not undermine the goal set by the regulation either in terms of transparency for the market nor for the purposes of supervision.

In particular, the analysis of the data concerning the remunerations perceived by the managers of Italian listed issuers¹ has shown that investments under Euro 20,000 did not entail significant signals on the effective expectations of the issuer's performance by these persons. Taking into account that only under exceptional circumstances, in the course of the year, an issuer publishes inside information producing a price variation above 15%, any open position under Euro 20,000 by a manager wishing to use an inside information – without any prejudice to the possibility to sanction such a conduct – would bring a maximum yield of Euro 3,000, which would not represent a significant amount in light of the remuneration received or the size of the managers' savings².

Moreover, Consob has broad powers and tools, including the power to directly request information on transactions carried out on the markets, to identify and detect any open position below the threshold of Euro 20,000 held by the manager³.

The increase of the threshold to Euro 20,000, in our estimates, would only concern 10% of the communications made and 24% of the total number of the managers' transactions (0.37% of the total amount of the transactions notified).

Transactions entailing counter values comprised between Euro 5,000 and 20,000 are not significant compared to the total value of the transactions to be notified and have a minor

¹ In 2015, the remunerations of the executive members of the board of directors of the first 100 companies for capitalisation with shares listed on Italian regulated markets amounted on average to Euro 776,000 (with a fixed component usually equal to Euro 275,000), while non-executive directors' remunerations amounted on average to Euro 90,000.

² Legal persons which are closely associated persons generally conduct transactions whose countervalues are higher.

³ A list of the managers of the issuer and the related closely associated persons shall also be drawn up by the issuer pursuant to article 19(5) MAR.

signaling value for investors, so that in practice the increase of the threshold would not undermine transparency⁴.

⁴ According to a sample analysis of the transactions carried out by managers in 2015/2016, it appears that the transactions notified amounted on average to Euro 24,000.